



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

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January 27, 2005

TO: Selected Agency Directors

FROM: Victor Moore, Director

SUBJECT: SAVINGS INCENTIVE ACCOUNT ALLOCATIONS FROM FISCAL YEAR 2004 GENERAL FUND-STATE SAVINGS

I am pleased to inform you of your Savings Incentive Account balances including your new Fiscal Year 2004 allocation. As you know, the Savings Incentive Account, created in the 1997 Legislative Session, allows agencies with General Fund-State appropriations to share in the unspent appropriations they have reverted at the end of each fiscal year. On an annual basis, the Office of Financial Management (OFM), in consultation with legislative staff and agencies, reviews General Fund-State (GF-S) reversions and determines how much each agency can retain for its own usage.

The Savings Incentive Account is nonappropriated and can be spent only following allotment approval by OFM. The balance of unspent credits from prior years (as of December 2004) is also included for your information. In Fiscal Year 2004, agencies earned a total of more than \$3.7 million in Savings Incentive credits, bringing the total credits earned to date since 1997 to \$34.4 million. We urge agencies to make efficient use of their savings incentive allocations.

Please remember that spending from this account is restricted to certain uses; it is intended for activities that improve the quality and efficiency of state services. The statute prohibits the use of these funds to expand existing programs or create ongoing costs, so agencies should consider investments in work process changes, training, and other one-time improvements. (Please refer to RCW 43.79.460(2) for the specific statutory language—a link is provided below:

<http://www.leg.wa.gov/RCW/index.cfm?section=43.79.460&fuseaction=section>).

In addition to encouraging more efficient operations in state government, the Savings Incentive Program was also designed to benefit education. Half of year-end GF-S savings from operational efficiencies, and all of the GF-S savings in restricted or entitlement programs go into the Education Savings Account. With Fiscal Year 2004 allocations, this account has generated more than \$241.9 million for education construction, technology, and endowment activities.

On behalf of Governor Gregoire, I would like to let you know that your efforts at improving efficiency and customer service in state government are appreciated.

Attachment

cc: Agency Budget Officers

Instructions for Allotting the 2004 Savings Incentive Allocation

The Savings Incentive Account, as set in statute by the Legislature, is a nonappropriated, allotted account. Agencies having allocations from this account may spend them without appropriation, but after an allotment has been approved by the Office of Financial Management (OFM).

The letter from Victor Moore, dated January 27, 2005, informs agencies of their Savings Incentive credits, including their new Fiscal Year 2004 allocation amount. Agencies planning to spend this allocation (or unspent allocation balance remaining from previous fiscal year allocations) during the 2003-05 Biennium, should **submit a packet in the A600 series to OFM before spending takes place.**

These A-packets should use an appropriation code of 960, 963-970, or 973-979, which are appropriation codes for nonappropriated state expenditures.

Please keep in mind that this allocation may be used only for one-time activities that improve the quality, efficiency, and effectiveness of customer services, such as one-time expenditures for employee training, employee incentives, technology improvements, new work processes, or performance measurement. This funding may not be used to create new or expanded services or ongoing obligations.

Please direct questions regarding this allotment to your OFM budget analyst.

Savings Incentive Program-Credits and Spending through 12/31/2004 by Agency

Agency	Program Credits to 12/31/2004	Spending from FY 1998 to 12/31/2004	Balance Remaining	Percent Spent
011 House of Representatives	3,621,227	1,839,364	1,781,862	51%
012 Senate	8,084,963	4,051,837	4,033,127	50%
014 Joint Legislative Audit and Review Committee	1,388,377	206,257	1,182,120	15%
020 LEAP Committee	355,985	83,514	272,471	23%
038 Joint Legislative Systems Committee	307,066	103,918	203,148	34%
040 Statute Law Committee	266,733	116,696	150,037	44%
045 Supreme Court	233,818	106,568	127,249	46%
046 State Law Library	3,243	2,844	399	88%
048 Court of Appeals	326,738	43,153	283,585	13%
050 Commission On Judicial Conduct	174,118	44,423	129,696	26%
055 Office of the Administrator for the Courts	83,726	0	83,726	0%
056 Office of Public Defense	20,232	0	20,232	0%
075 Office of the Governor	362,910	240,574	122,337	66%
080 Office of Lieutenant Governor	36,874	24,017	12,857	65%
082 Public Disclosure Commission	48,039	633	47,406	1%
085 Office of the Secretary of State	1,222,257	829,355	392,903	68%
086 Governor's Office of Indian Affairs	7,919	7,919	0	100%
087 Commission on Asian-Pacific American Affairs	12,440	7,469	4,971	60%
091 Redistricting Commission	71,843	71,843	0	100%
095 Office of State Auditor	62,944	0	62,944	0%
099 Commission on Salaries Elected Officials	32,697	0	32,697	0%
100 Office of Attorney General	851,134	208,537	642,597	25%
101 Caseload Forecast Council	33,642	0	33,642	0%
103 Community, Trade and Economic Development	702,568	254,916	447,652	36%
104 Economic and Revenue Forecast Council	143,182	60,813	82,369	42%
105 Office of Financial Management	789,638	365,868	423,770	46%
118 WA State Commission on Hispanic Affairs	19,301	591	18,711	3%
119 WA State Commission on African-American Affairs	7,072	3,309	3,762	47%
120 Human Rights Commission	79,237	51,480	27,757	65%
126 State Investment Board	2,233	0	2,233	0%
140 Department of Revenue	3,051,088	1,515,805	1,535,283	50%
142 Board of Tax Appeals	59,937	20,075	39,862	33%
150 Department of General Administration	107,556	82,050	25,506	76%
195 Liquor Control Board	89,572	86,813	2,759	97%
225 Washington State Patrol	201,489	0	201,489	0%
235 Department of Labor and Industries	68,444	28,600	39,843	42%
240 Department of Licensing	333,694	219,482	114,212	66%
245 Military Department	123,557	23,239	100,318	19%
250 Indeterminate Sentence Review Board	252,120	66,383	185,737	26%
275 Public Employment Relations Commission	179,721	65,961	113,760	37%
300 Department of Social and Health Services	2,487,656	2,012,550	475,106	81%
302 Home Care Quality Authority	12,343	0	12,343	0%
303 Department of Health	686,770	295,243	391,527	43%
305 Department of Veterans' Affairs	26,121	9,597	16,524	37%
310 Department of Corrections	1,837,175	855,000	982,175	47%
315 Department of Services for the Blind	215,908	0	215,908	0%
325 Sentencing Guidelines Commission	112,590	11,519	101,072	10%
343 Higher Education Coordinating Board	463,408	335,856	127,552	72%
350 Superintendent of Public Instruction	1,666,803	979,350	687,453	59%
351 State School for the Blind	72,160	12,635	59,525	18%
353 State School for the Deaf	92,953	46,000	46,953	49%
354 Work Force Training and Education Coord Board	115,970	33,987	81,983	29%
360 University of Washington	77,738	0	77,738	0%

Agency	Program Credits to 12/31/2004	Spending from FY 1998 to 12/31/2004	Balance Remaining	Percent Spent
365 Washington State University	2,681	2,627	54	98%
375 Central Washington University	91,219	0	91,219	0%
377 Spokane Intercollege R&T Institute	25,663	0	25,663	0%
380 Western Washington University	140,941	56,750	84,191	40%
387 Arts Commission	19,138	2,448	16,691	13%
390 Washington State Historical Society	4,682	1,226	3,456	26%
395 Eastern Washington Historical Society	2,872	0	2,872	0%
460 Columbia River Gorge Commission	82,069	11,748	70,321	14%
461 Department of Ecology	817,807	513,658	304,149	63%
465 State Parks and Recreation Commission	27,459	27,459	0	100%
467 Interagency Committee for Outdoor Recreation	12,834	0	12,834	0%
468 Environmental Hearings Office	103,524	8,168	95,356	8%
471 State Conservation Commission	157,927	6,471	151,456	4%
476 Growth Management Hearings Board	157,048	35,689	121,359	23%
477 Fish and Wildlife	118,317	100,000	18,317	85%
490 Department of Natural Resources	86,403	0	86,403	0%
495 Department of Agriculture	323,298	169,706	153,592	52%
540 Employment Security Department	73,770	73,770	0	100%
699 Community and Technical College System	511,895	313,044	198,851	61%
Total	34,446,477	16,748,805	17,697,673	